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DE RUEHMO #0317 0411454
ZNR UUUUU ZZH
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FM AMEMBASSY MOSCOW
TO RUCPDOC/USDOC WASHDC PRIORITY
INFO RUEHC/SECSTATE WASHDC 1847
RHMFIUU/US CUSTOMS AND BORDER PROTECTION WASHINGTON DC
RUEHKV/AMEMBASSY KYIV 0322

UNCLAS MOSCOW 000317

SIPDIS

USDOC FOR 532/OEA/M.HAMES/L.RITTER
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA
USDOC FOR 532/OEE/MO'BRIEN
USDOC FOR 532/BIS/OEA/TWILLIS/EHOLLAND/ANALYST
KYIV FOR FCS

E.O. 12958: N/A

TAGS: BEXP ETRD ETTC RS

SUBJECT: EXTRACHECK: POST-SHIPMENT VERIFICATION: SCIENTIFIC AND
INDUSTRIAL CONCERN (SIIC) NAUKA, KIEV, UKRAINE, LICENSE NO. D384296

REFTEL: USDOC 0116

¶1. Unauthorized disclosure of the information provided below is
prohibited by Section 12C of the Export Administration Act.

¶2. Reftel requested a Post-shipment verification to determine the
legitimacy and reliability of the end-user, Scientific and
Industrial Concern (SIIC) Nauka, Kiev, Ukraine. The company is
listed on BIS license application D384296 as the ultimate consignee
of a low pressure thin film deposition system, model MOCVD D-180
LDM. These items are controlled for national security reasons under
ECCN 3B001.A.2. The licensee is SVT Associates Inc., 7620 Executive
Drive, Eden Prairie, MN 55344.

¶3. On January 29, 2009, Export Control Attach Peter Liston and LES
Olena Stepanska conducted the requested post-shipment verification
with the Scientific and Industrial Concern (SIIC) Nauka, Kiev,
Ukraine. The export control team met with Sergey Yurievich Larkin,
General Manager, at the Ministry of Science and Education, Kiev,
Ukraine.

¶4. The Scientific and Industrial Concern (SIIC) Nauka (Nauka) is a
government funded research facility involved in the development of
commercial applications of solid-body electronics. Nauka cooperates
with foreign entities in joint enterprises in many of their research
and development projects. Nauka is involved with projects with
Germany, Russia, Turkey and the United States. Nauka was founded in
part by the Ukraine Scientific Research Center QFornonQ; the
National Scientific Center QKharkov Physical-Technical InstituteQ;
Scientific & Production Enterprise QSaturnQ; Scientific Research
Company QKaratQ; Radio Astronomical Institute, National Academy of
Sciences; and the scientific technological concern QInstitute of
MonocrystalsQ, National Academy of Science.

¶5. Sergey Yurievich Larkin advised the export control team that the
commodity in reftel was purchased in 2007 and is being used at the
Karat facility for arsenide and phosphide semiconductor research.
Larkin stated that he expects production to start at the end of this
year. The Karat plant is located approximately 7 hours outside of
Kiev. Sergey Yurievich Larkin stated that Nauka has also purchased
two additional units from the reftel exporter SVT Associates, which
are awaiting customs clearance in Kiev. Sergey Yurievich Larkin
gave the export control team a series of photos showing the reftel
commodity installed and operating at the Karat facility. Larkin
stated that the Karat facility is a former military complex with
limited access.

¶6. Although the export control team was not able to personally
inspect the reftel commodity, it does appear that it is being used
for the purpose for which it was licensed. The company had ordered

two additional units. There are no indications of impropriety with Nauka and the LarkinQs answers to the export control team were not evasive.

¶7. Recommendations: Post recommends Scientific and Industrial Concern (SIIC) Nauka, Kiev, Ukraine as a reliable recipient of sensitive U.S. origin commodities.

(FCS MOSCOW/JMARKS/PLISTON)

BEYRLE